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making purposes. The author fails to take into account the fact that the accuracy of appraisals can be greatly increased by more careful methods of investigation. It is not necessary to rely upon the purely gratuitous opinions of experts based on "judgment" rather than on careful investigation. And granting that substantial inaccuracy is inevitable, the appraisal figures are still far from useless, for it is always possible to err on the side of conservatism, and figures which err in their liberality to the utilities are certainly far better than no figures at all. Only it is important to remember always that the figures are estimates.

In advocating the allowance for strategic value, going value, and unearned increment in the rate of return the author transfers the discussion of some of the most difficult and unsettled problems of valuation from the field of the determination of the rate base to the field of the determination of the rate of return. As this work is primarily a discussion of the problem of determining the rate base, the discussion of these problems in the chapter on the rate of return consists simply of a survey of some of the factors involved in the solution of the problems; it does not attempt to indicate the principles governing their solution.

SUMNER H. SLICHTER

UNIVERSITY OF CHICAGO

Economic Moralism. An Essay in Constructive Economics. By JAMES HALDANE SMITH. New York: Macmillan, 1917. 8vo, pp. 288.

"Economic moralism" is the author's name for a new brand of socialism, which is fearlessly and frankly utopian. In his preface Mr. Smith criticizes the "fatalistic" socialists for the easy-going policy of relegating fundamental difficulties to the category of details to be worked out in the light of experience, and so shirking the task of formulating a definite ideal. Though this position is well taken, it can hardly be said that the author is entirely guiltless of the same offense. The basis of the new system is laid in Spencerian ethics, and if Mr. Smith's reasoning from the principle of maximum liberty to the immorality of private property and of rent, interest, and profit is not entirely invulnerable to criticism, it is at least much better than Spencer's own deduction of the opposite conclusion from the same premises.

The most important features of the "ideal, based on absolute ethics," after the public ownership of productive wealth and private property in

income, are the provision for new capital and the treatment of economic rent. Interest, being immoral, is not to be paid in any form, nor is it to be counted as part of the cost of production of commodities. But the price of each article is to be so adjusted as to provide the necessary new equipment for supplying all demand which becomes effective at the price fixed. This contention that the present consumers of each commodity should pay for extensions as well as maintenance of the plant producing it is a striking coincidence with the claims of American big business. In addition, all lines of production must accumulate reserves against sudden changes in demand, which reserves may be loaned from one industry to another. Situation rents are disposed of by making the consumer's price of every commodity uniform over the whole society and equal to the "average" cost of production. Transportation charges and the like are added to the cost of the goods exported from any locality, not of those imported into it. Differences in fertility are also averaged out, but site-rents for dwellings are to be collected and applied to improving the surroundings of the less desirable sites.

The system as a whole carries as far as possible the idea of having each person pay exactly for all benefits received, involving a minimum of free services on the part of the state. Education is to be charged to parents, and even roads maintained by taxing the different kinds of traffic in proportion to the estimated wear and tear which they cause. Provision for personal contingencies is almost entirely on the insurance basis. The cost of the few free services furnished is to be met by a uniform poll tax on all able-bodied persons. Wages depart from equality only as necessary to secure the performance of the more disagreeable tasks and with a very small allowance for the amount of the product to serve as a stimulus to industry. A concluding section, on the basis of "relative ethics," sketches the transition from capitalism to the moralist system.

On the whole, the work is ingenious as well as serious, and will prove interesting and stimulating to anyone interested in the constructive literature of extreme radicalism. Many of the assumptions in regard to human nature, its capacities and adaptibilities, and to the relative productive efficiency of the imagined system as compared with the present one, and the like, are of the usual socialistic type and will appeal to nonsocialists as unwarrantable in the absence of more proof than is offered.

F. H. KNIGHT